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October 11, 2011

**VIA ELECTRONIC-DELIVERY**

The Honorable Jocelyn G. Boyd  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Application of Progress Energy Carolinas, Incorporated for Permission to Sell land That is No Longer Needed to Provide Utility Service **Docket No. 2011-411-E**

Dear Ms. Boyd:

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed the filing in the above referenced Docket as well as discussed this matter with Progress Energy Carolinas, Inc. ("Company") personnel. The property consists of 136 acres and was originally purchased for the Harris Nuclear Plant in Wake County, North Carolina. Based on our review, ORS has no objection to the Company's request for authority to sell this property to Veridea Holdings, LLC ("Veridea"). The property is located more than seven (7) miles from the site of the Harris Plant. The Company offered that Veridea plans to include this property as part of a 1,000 acre mixed use development of residential, office space, retail/commercial space and for high tech manufacturing.

The book value of the property originally purchased in 1971 is \$104,855. A 2010 appraisal valued the property at \$5,940,000. In November 2010 the North Carolina Turnpike Authority ("Authority") condemned approximately 22 acres of this property and deposited \$1,856,200 associated with condemnation proceedings with the Wake County Clerk of Court. As negotiated by the Company the remaining 114 acres will be purchased by Veridea for \$8,219,600 and the condemnation dollars will be credited to Veridea. The resulting gain of \$6,258,545 will be netted against the book value and recorded in FERC Account No. 421.1, Gain on Disposition of Property.

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,

John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS  
Jeffrey M. Nelson, Esquire, SC ORS  
Len S. Anthony, General Counsel, PEC  
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